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December 13, 2005

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station  
Boston, MA 02110

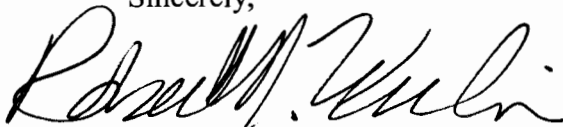
Re: D.T.E. 05-85, NSTAR Electric/NSTAR Gas

Dear Secretary Cottrell:

Enclosed for filing in the above-referenced matter are the responses to the Information Requests set forth on the accompanying list.

Thank you for your attention to this matter.

Sincerely,



Robert N. Werlin

Enclosures

cc: Service List

## Responses to Information Requests

DTE-2-1

DTE-2-2

DTE-2-3

DTE-2-4

DTE-2-5

DTE-2-6

DTE-2-7

DTE-2-8

DTE-2-9

Information Request DTE-2-1

Refer to Section 2.32 of the Settlement. Please:

- (a) Define the criteria NSTAR Electric and the Attorney General plan to use to determine whether the initiatives are successful.
- (b) Explain NSTAR Electric's understanding of the Department's role in evaluating the effectiveness of the initiatives as well as the calculation of customer benefits.
- (c) Elaborate on the litigation costs including, but not limited to, the types of costs included, documentation of costs, and timing of recovery.

Response

- (a) The criterion for determining whether an initiative is successful is whether there are demonstrable customer benefits. The electric market is extremely complex, and NSTAR Electric and the Attorney General recognize that because of this complexity, there will not be a single formula that is appropriate to measure if an initiative is "successful." Nevertheless, NSTAR Electric and the Attorney General believe that opportunities exist to mitigate unnecessary costs that are borne by customers, and that they will work together to define and to quantify the success of initiatives pursued by NSTAR Electric.
- (b) As described in paragraph 2.32 of the Settlement Agreement, if NSTAR Electric and the Attorney General are unable to reach agreement, NSTAR Electric may make a filing at the Department to demonstrate the benefits that the customers have received "from reductions in the costs of energy, capacity reserves and operating reserves that result from reducing transmission constraints and market inefficiencies." In these circumstances, NSTAR Electric must demonstrate to the Department that an NSTAR Electric initiative has successfully achieved customer benefits. Additionally, in accordance with paragraph 2.36 of the Settlement Agreement, mechanisms proposed to collect incentives are subject to Department review and approval.
- (c) NSTAR Electric generally recovers all of its FERC litigation cost in its transmission cost of service. As part of the Settlement Agreement, NSTAR Electric has agreed to forgo recovery of 25 percent of its FERC litigation cost relating to challenging market inefficiencies and reducing transmission constraints at FERC. These litigation costs are generally composed of fees paid to outside counsel and outside consultants.

Information Request DTE-2-2

Refer to Section 2.33 of the Settlement. Please:

- (a) Define “a program,” elaborating on the scope and the purpose of the program and identifying any specific possible components of the program (e.g., infrastructure improvements, dispatch model improvements, load power factor correction, etc.).
- (b) Identify those types of program components the costs of which are currently not recoverable through existing FERC or Department tariffs. Would approval of the Settlement result in potential double recovery of NSTAR Electric costs? If not, please explain why not.
- (c) To the extent that the program involves the following components, (1) transmission, (2) distribution, (3) dispatch, and (4) demand response, identify the types of corresponding upgrade projects for each component and the reasonable types of costs for which NSTAR Electric would seek recovery through this mechanism.
- (d) Describe potential “incentive mechanisms” and explain how NSTAR Electric would interact with the Department with regard to program implementation if NSTAR Electric and the Attorney General (1) agree on the incentive mechanisms or (2) disagree on the incentive mechanisms.

Response

- (a) The purpose of paragraph 2.33 is to develop a “program,” which will be a dispatch model or other market-simulation analytical tool, to identify root causes of market uplift. The paragraph is not meant to propose specific “programs” to address uplift costs. Such costs are defined as the difference between the unconstrained marginal cost dispatch and the actual dispatch at market prices, including all ancillary costs. Such a program would identify the size of the market uplift and the various factors that contribute to such costs. Only after the costs have been identified can a holistic plan be incorporated to address the market inefficiencies. As described in paragraph 2.33 of the Settlement Agreement, NSTAR Electric and the Attorney General agree to work together to develop such a program. Accordingly, it has not yet been developed and cannot be described with more specificity.

- (b) Incremental costs to develop the market analysis tools would be eligible for recovery, subject to review and approval that the costs are “reasonable”. There is no regulatory mechanism to recover such incremental costs from distribution rates going forward, absent this term. If any of these costs are recoverable in FERC rates (or otherwise), paragraph 3.8 of the Settlement Agreement would specifically prohibit any double recovery.
- (c) As described in (a), above, the program is an analytical tool, only.
- (d) Once the “program” identifies areas of high uplift costs, NSTAR Electric will work with the Attorney General and the Department (see the response to Information Request DTE-2-5) to propose market rule changes or incentives to market participants to encourage improved market responses.

Information Request DTE-2-3

Refer to Section 2.34 of the Settlement. Please:

- (a) Define “unnecessary Reliability Must Run (“RMR”) costs” as used in the first sentence.
- (b) Describe potential “incentive mechanisms.”

Response

- (a) An “unnecessary” RMR cost can occur if an RMR contract is approved by FERC where the generator’s eligibility or the level of cost recovery is not justified.
- (b) As described in paragraph 2.34 of the Settlement Agreement, NSTAR Electric and the Attorney General have agreed to work together to develop such programs. Accordingly, they have not yet been developed and cannot describe them with more specificity. The intent of an incentive mechanism is similar to that described in the response to Information Request DTE-2-1, in which NSTAR Electric would share in the demonstrated customer benefits resulting from its actions.

Information Request DTE-2-4

Refer to Sections 2.32, 2.33 and 2.34 of the Settlement. Please state whether and if so, when, NSTAR Electric plans to seek Department input concerning the following: (1) litigation at the FERC or otherwise, (2) the development of market dispatch improvement programs, and (3) minimizing unnecessary RMR costs.

Response

For market-structure issues that involve policy matters for which the Department is not the final adjudicator, NSTAR Electric would, as it has in the past, confer with the Department and exchange views. The precise timing of such discussions is dependent on the forum and process by which the issue develops.

Information Request DTE-2-5

Refer to Section 2.35 of the Settlement. Please:

- (a) Provide some hypothetical examples of this calculation.
- (b) Confirm that a deferral mechanism will not be used
- (c) Explain how NSTAR Electric plans to quantify benefits associated with the initiatives discussed in Sections 2.32, 2.33, and 2.34. Does NSTAR plan to reconcile the benefit calculation?

Response

- (a) If the total customer savings from an initiative are \$3.6 million, NSTAR Electric would receive an incentive of \$900,000 (\$3.6 million x 25 percent) and customers would retain the remaining \$2.7 million (\$3.6 million x 75 percent). The recovery of the incentive would be \$300,000 a year, starting the year after the savings have been agreed to or approved by the Department.
- (b) If the Department approves recovery each year as described above, there would be no deferral.
- (c) Please see the responses to Information Requests DTE-2-1, DTE-2-2 and DTE-2-3.



Information Request DTE-2-6

Refer to Section 2.19 of the Settlement. The Settlement states that the Restructuring Settlement established an \$8 million storm reserve fund pursuant to D.P.U./D.T.E. 96-23, at 68. D.P.U./D.T.E. 96-23, at 70 indicates the “provision for a storm fund will remain in effect through December 31, 2000.” Please provide the authorization allowing the storm fund to continue from then to the present.

Response

The Department’s order in D.P.U./D.T.E. 96-23 notes correctly that the settlement agreement in that case is silent on the continuation of the fund after December 31, 2000. See Attachment DTE-2-6(a) for the relevant excerpt from the Department’s order. In fact, that settlement agreement does not require the storm fund to terminate on December 31, 2000, and the phrase of the order referenced in the question above refers to “delivery rates” remaining in effect through December 31, 2000, and not that the storm fund would terminate on December 31, 2000. Attachment 2 to that settlement agreement has no such term limitation. See Attachment DTE-2-6(b) for the relevant provision..

Thus, the settlement agreement in D.P.U./D.T.E. 96-23 has no termination date for the storm fund nor did the Department impose such limit. Although the Department is not bound to maintain the existence of a storm fund in perpetuity under the terms of that settlement agreement, it would have to take action to terminate the existing storm fund and to provide for the terminal accounting of the fund.

argues that the storm fund provision adds value to the Settlement because, without any effect on rates, it allows the Company to accrue expenses to the fund and thus smooth out the effect of storms and reduce the potential for future rate increases due to storms (id.).

c. Analysis and Finding

The proposed standard offer retail delivery rates, which include provision for a storm fund, will remain in effect through December 31, 2000. The Settlement is silent on the storm fund's continuation after that date. The Department notes that the Act also is silent on the issue of establishing storm funds. The creation of a storm fund was the result of a balancing of interests among various parties. A storm fund will help maintain quality of service and address some of the staffing issues raised by the Unions. Further, the Low Income Intervenor's concern that BECo is proposing an additional \$3 million per year to cover storm expenses is unfounded. In fact, following a storm, BECo will restore the balance to \$8 million by using funds from distribution expense

accounts up to a maximum of \$3 million per year (Exh. BEA, at 224-225). As the Company points out, this replenishment will occur without any increase in customer rates. The Department finds that this balancing of interests produced a just and reasonable result and is therefore in the public interest. Our acceptance of the Settlement here does not bind the Department to perpetuate the existence of a storm fund in future rate or any other proceedings. See Dover Water Company, D.P.U. 90-86, at 4-5 (1990). Accordingly, considering a balancing of interests among the various parties, the Department finds that this provision is in the public interest.

ATTACHMENT 2

BOSTON EDISON COMPANY

STORM FUND

## **Establishment of Storm Contingency Fund**

### **Policies and Procedures**

Boston Edison Company shall establish an \$8M storm contingency fund to pay for the incremental operations and maintenance (O&M) costs incurred by the Company as the result of major storms. Major storms shall be defined as those storms with incremental O&M costs over \$1.0 million occurring after the date the settlement proposal is approved by the Department of Public Utilities (DPU). The fund shall be established and maintained as follows:

1. Effective upon DPU approval of this agreement, Boston Edison. will initially fund the storm contingency fund with an \$8 million contribution from proceeds received by the Company through the sale of Clean Air Act Emission Allowances. After storm costs have been paid from the fund, Boston Edison. will restore the balance to a level of \$8M by contributing funds from distribution maintenance expenses up to a maximum of \$3M a year until the fund reaches the \$8M level. The accounting entry to record any funding from distribution maintenance expenses will be booked as follows:

DR	Account 598	Maintenance of Misc. Distribution Plant
CR	Account 254	Storm Contingency Fund

2. Upon the occurrence of a major storm, all incremental O&M costs incurred as a result of the storm shall be offset against the balance in Account 254 (storm contingency fund). Incremental O&M costs are defined as the costs which Boston Edison. will incur as a direct result of a storm which are over and above Boston Edison.'s normal costs of doing business. These costs shall include such things as overtime paid to employees to restore service to customers, rest time wages incurred as a result of storm restoration (as stipulated in union contracts), outside vendor costs, lodging and meal charges, material and supply charges, and other related miscellaneous storm costs. The storm fund is not intended to reimburse Boston Edison. for incremental capital costs. The accounting entry to record the incremental costs up to the amount in the storm fund will be the following:

DR	Account 254	Storm Contingency Fund
DR	Account 407.3	Regulatory Debits - Storm Fund
CR	Account 407.4	Regulatory Credits - Storm Fund
CR	Account 131	Cash

3. If the cumulative incremental costs of major storms exceed the balance in Account 254 (storm contingency fund), such excess shall be deferred by Boston Edison. by a debit to Account 182, Deferred Charges - Storm Fund. Interest on the remaining

balance will be accounted for as described in item 4. The accounting entry to record the excess costs will be the following:

DR	Account 182.3	Deferred Charges - Storm Fund
CR	Account 131	Cash

4. Interest shall be accrued monthly on any positive or negative balance in the fund, calculated in accordance with the Terms and Conditions for interest expense on customer deposits. The accounting entry on Boston Edison.'s books shall be:

DR	Account 431	Other Interest Expense
CR	Account 254	Storm Contingency Fund

If the fund is in a negative position, the entry on Boston Edison.'s books will be:

DR	Account 182.3	Deferred Charges - Storm Fund
CR	Account 419	Interest Income

5. Within six months of the occurrence of a major storm, Boston Edison. will file an account documenting all amounts charged to the fund with the DPU and Attorney General (AG). The DPU or the AG may challenge any items charged to this account by filing notification with the Company within 90 days of the Company's filing.

Information Request DTE-2-7

Refer to Section 2.19 of the Settlement. How many times has BECo used the storm fund since its authorization under D.P.U./D.T.E 96-23? How many dollars were transferred out of the storm fund and how was it replenished for each event?.

Response

Boston Edison has used the storm fund once since its authorization under D.P.U./D.T.E 96-23. Please see Attachment DTE-2-7 for the report provided to the Department regarding the March 2001 storm event.



**William S. Stowe**  
Assistant General Counsel

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Boston, MA 02199  
(617) 424-2544 – Tel  
(617) 424-2733 – Fax  
william\_stowe@nstaronline.com

September 7, 2001

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station – 2nd Flr.  
Boston, MA 02110

**Re: Boston Edison Company  
D.P.U./D.T.E. 96-23**

Dear Secretary Cottrell:

Enclosed herewith is Boston Edison Company's report of storm contingency fund activity through August 31, 2001. This is the first such report pursuant to the Boston Edison Company Restructuring Settlement Agreement approved by the Department in D.P.U./D.T.E. 96-23 and was necessitated by storm-related expenditures associated with the March, 2001 storm. This report provides accounting and support for expenditures associated with the March, 2001 storm and summarizes all storm contingency fund activity through August 31, 2001.

Thank you very much for your attention to this filing.

Very truly yours,

A handwritten signature in dark ink, appearing to read "William S. Stowe", is written over the typed name.

Enclosure

cc: Joseph W. Rogers, Assistant Attorney General  
Service List

**Boston Edison Company**  
 Summary of Storm Contingency Fund Activity  
 For the Period Ended August 31, 2001

Beginning Balance as of 1/1/98	\$	8,000,000
Storm Costs: March 2001 (2)	\$	(3,741,879)
Additional contributions through 8/31/01; \$187,311 per month (3)	\$	1,123,866
Interest: (4)		
1998	\$	479,201
1999		434,983
2000		484,040
2001		<u>302,447</u>
Total Interest	\$	<u>1,700,671</u>
Storm Contingency Fund Balance as of 8/31/01	\$	<u><u>7,082,658</u></u>

Notes:

- (1) In accordance with Boston Edison Company's Restructuring Settlement Agreement, Boston Edison initially funded the storm contingency fund on 1/1/98 with an \$8M contribution from proceeds received by the company through the sale of Clean Air Act Emission Allowances.
- (2) March 2001 storm occurred March 5, 2001 to March 7, 2001. The settlement agreement defines a major storm as any storm with incremental O & M costs over \$1.0M.
- (3) Additional contributions to restore the storm fund balance to the \$8M level per the settlement agreement, calculated as follows:

Balance as of Feb-01	\$	9.462	M
March interest		0.032	
Less: storm charges		(3.742)	
Contributions required		<u>2.248</u>	
Total	\$	<u><u>8.000</u></u>	M

- (4) Monthly interest rates calculated based on the following annual customer deposit rates:

1998	5.99%
1999	5.13%
2000	5.43%
2001	6.26%



Boston Edison Company  
Storm Report  
D.P.U./ D.T.E. 96-23  
Page 2 of 4

**Boston Edison Company**  
**Report of Storm Contingency Fund Activity**  
**For the Period Ended August 31, 2001**

Month	Beginning Balance (a)	Monthly Interest (b)	Storm Charges (c)	Monthly Contributions (d)	Ending Balance (e)
<u>1998</u>					
January	\$ 8,000,000	\$ 38,877	-	-	\$ 8,038,877
February	8,038,877	39,066	-	-	8,077,943
March	8,077,943	39,256	-	-	8,117,199
April	8,117,199	39,447	-	-	8,156,646
May	8,156,646	39,639	-	-	8,196,285
June	8,196,285	39,831	-	-	8,236,116
July	8,236,116	40,025	-	-	8,276,141
August	8,276,141	40,219	-	-	8,316,360
September	8,316,360	40,415	-	-	8,356,775
October	8,356,775	40,611	-	-	8,397,386
November	8,397,386	40,808	-	-	8,438,194
December	8,438,194	41,007	-	-	8,479,201
Total 1998	\$ 8,000,000	\$ 479,201	-	-	\$ 8,479,201
<u>1999</u>					
January	\$ 8,479,201	\$ 35,423	-	-	\$ 8,514,624
February	8,514,624	35,571	-	-	8,550,195
March	8,550,195	35,720	-	-	8,585,915
April	8,585,915	35,869	-	-	8,621,784
May	8,621,784	36,019	-	-	8,657,803
June	8,657,803	36,169	-	-	8,693,972
July	8,693,972	36,320	-	-	8,730,292
August	8,730,292	36,472	-	-	8,766,764
September	8,766,764	36,625	-	-	8,803,389
October	8,803,389	36,778	-	-	8,840,167
November	8,840,167	36,932	-	-	8,877,099
December	8,877,099	37,085	-	-	8,914,184
Total 1999	\$ 8,479,201	\$ 434,983	-	-	\$ 8,914,184
<u>2000</u>					
January	\$ 8,914,184	\$ 39,366	-	-	\$ 8,953,550
February	8,953,550	39,540	-	-	8,993,090
March	8,993,090	39,715	-	-	9,032,805
April	9,032,805	39,890	-	-	9,072,695
May	9,072,695	40,066	-	-	9,112,761
June	9,112,761	40,243	-	-	9,153,004
July	9,153,004	40,421	-	-	9,193,425
August	9,193,425	40,599	-	-	9,234,024
September	9,234,024	40,779	-	-	9,274,803
October	9,274,803	40,959	-	-	9,315,762
November	9,315,762	41,140	-	-	9,356,902
December	9,356,902	41,322	-	-	9,398,224
Total 2000	\$ 8,914,184	\$ 484,040	-	-	\$ 9,398,224
<u>2001</u>					
January	\$ 9,398,224	\$ 47,024	-	-	\$ 9,445,248
February	9,445,248	47,260	-	-	9,492,508
March	9,492,508	47,496	(3,741,879)	187,311	5,985,436
April	5,985,436	29,948	-	187,311	6,202,695
May	6,202,695	31,035	-	187,311	6,421,041
June	6,421,041	32,128	-	187,311	6,640,480
July	6,640,480	33,226	-	187,311	6,861,017
August	6,861,017	34,330	-	187,311	7,082,658
Total 2001	\$ 9,398,224	\$ 302,447	\$ (3,741,879)	\$ 1,123,866	\$ 7,082,658
Cumulative Total	\$ 8,000,000	\$ 1,700,671	\$ (3,741,879)	\$ 1,123,866	\$ 7,082,658

**Boston Edison Company**  
**Summary of March 2001 Storm Total O & M Restoration Costs**

	<u>Total Restoration Costs</u>	<u>Normal Costs</u>	<u>Incremental Costs (1)</u>
Labor costs excluding payroll overheads for NSTAR employees	\$ 2,280,397	\$ 485,445	\$ 1,794,952
Charges for outside companies (2)	1,776,443	-	1,776,443
Charges for materials and supplies (3)	191,460	20,976	170,484
Total	<u>\$ 4,248,300</u>	<u>\$ 506,421</u>	<u>\$ 3,741,879</u>

- (1) Incremental costs are defined as the costs which were incurred as a direct result of the storm and were over and above the normal cost of doing business.
- (2) See page 4 for the listing of outside companies with charges in excess of \$10,000.
- (3) Materials and supplies allocated between normal costs and incremental costs using the ratio of incremental payroll to total payroll.

Boston Edison Company  
Storm Report  
D.P.U/ D.T.E. 96-23  
Page 4 of 4

**Boston Edison Company**  
Outside Vendors Paid in Excess of \$ 10,000  
Storm of March 2001

<b>Vendor</b>	<b>Amount</b>
Asplundh Tree Expert Company	\$ 140,929
Evans Line Construction	115,144
Grattan Construction	137,836
Halpin Line Construction	118,358
Hawkeye Electric	242,960
J.E. Guertin Company	35,821
Lewis Tree Service	65,625
Mass Electric Construction Company	197,345
McDonough Electric Company	125,375
Northeast Line Construction	47,000
Northeast Utilities	78,818
Northern Tree Service, Inc.	17,043
One Shot Line Construction & Maintenance	77,826
Royer Tree Service	20,160
Sheerin Construction	16,554
State Electric Corporation	98,734
Miscellaneous vendors- totals that were less than \$10,000	240,915
<b>Total</b>	<b>\$ 1,776,443</b>

Information Request DTE-2-8

Refer to Section 2.20 of the Settlement. Please:

- (a) State, and provide complete and detailed documentation of, the total amount of emission credits that have been sold to date.
- (b) Explain how the replenishment funds are derived.
- (c) Explain the current rate making treatment of the emission credits.

Response

- (a) Please see Attachment DTE-2-8 for the complete and detailed documentation of, the total amount of emission credits that have been sold to date for Boston Edison.
- (b) Boston Edison replenishes the storm fund in accordance with the D.P.U./D.T.E 96-23 Settlement Agreement by using funds from distribution expense accounts up to a maximum of \$3 million per year. This replenishment occurs without any increase in customer rates. Please see Attachment DTE-2-7 for how the storm fund mechanism was replenished in 2001.
- (c) Emission credits for Boston Edison are reflected as an other regulatory liability, account 254, as shown in the FERC Form 1 page 278. For Commonwealth and Cambridge, emission credits have been flowed back to customers through their respective Transition Charges.

**Boston Edison Company**  
**Clean Air Act Allowance Credits**

<u>Date of Transaction</u>	<u>Description</u>	<u>Amount</u>	
March-96	EPA Allowances	69,784.03	A
March-96	EPA Allowances	96,460.48	B
March-96	EPA Allowances	48,906.82	C
June-96	EPA Allowances	11,631.76	D
November-96	SO2 Allowances	8,470,000.00	E
December-96	SO2 Allowances	2,572,500.00	F
December-96	SO2 Allowances	2,051,250.00	G
December-96	Payment to N.R.G (Broker)	(27,500.00)	H
December-96	Payment to N.R.G. (Broker)	(27,500.00)	I
January-97	Payment to N.R.G. (Broker)	(27,500.00)	J
May-97	Braintree N-Ox ERC Sale	68,240.00	K
July-97	SO2 Allowances	22,609.44	L
July-97	SO2 Allowances	47,097.78	L
November-97	EPA Allowances - Mystic	24,230.15	M
May-98	SO2 Allowances - New Boston	20,044.83	N
May-98	SO2 Allowances - Mystic	41,755.44	O
Total		13,462,010.73	
Transfer to Storm Fund in March 1998		(8,000,000.00)	
Balance - Account 254030		<u>5,462,010.73</u>	

11/16/2005

Boston Edison Company

1

J.E. 0026B 03/31/1996 for 25403

Account	Date	Source	Sequence	Type	CA	Description	Amount	
254030	03/31/1996	450	34	C	AB	AUTH BY758967	-69,784.03	A
254030	03/31/1996	450	35	C	AM	AUTH BY758967	-96,460.48	B
254030	03/31/1996	450	36	C	AX	AUTH BY758967	-48,906.82	C

**-215,151.33**

B.E. CO. FORM 130

June 17 1996

## DEPARTMENT CASH RECEIPT

Nº 125513

I have today handed Cashier

Eleven Thousand Six Hundred Thirty-One

\$ 11,631.76

for EPA Allow - New Boston

76 Dollars  
100

to be credited to Account # 25403, Cost Area AB

Joseph D. Hobson  
Dept. Head

Received above amount:

Cashier

Originating Department shall send ORIGINAL Copy direct to General Accounting Division before having form receipted by Cashier; when other two copies are receipted, Cashier shall retain Duplicate and return Triplicate to originating Department.

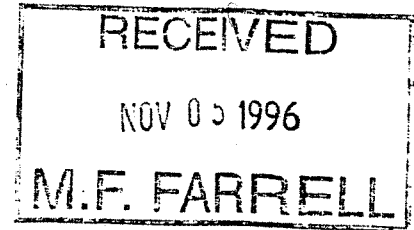
Total 11631 76

ORIGINAL

ORIGINAL - GENERAL LEDGER P344



**Boston Edison**  
800 Boylston Street  
Boston, Massachusetts 02199



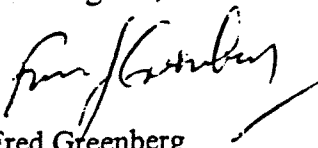
November 4, 1996

Ms. Lynda R. Clemmons  
Director  
Enron Capital & Trade Resources  
1400 Smith Street  
Houston, TX 77002-7361

Dear Ms. Clemmons:

Enclosed please find a signed original of the SO<sub>2</sub> Allowance Purchase and Call Option Agreement between Boston Edison Company (BECo) and Enron Capital & Trade Resources Corporation (ECT). Also included are signed EPA allowance transfer forms for the transfer of 110,000 allowances (10,000 per year for 2000 - 2010) from BECo to ECT. Your notifying me 1-2 days in advance of the funds transfer would be greatly appreciated. If you have any questions please call me.

Best Regards,



Fred Greenberg  
Group Manager

ejs

Enclosures

cc: Ron Ledgett

① - See page 2  
of Agreement



**ENRON** CAPITAL & TRADE  
RESOURCES  
WORLDWIDE ENERGY SOLUTIONS

October 28, 1996

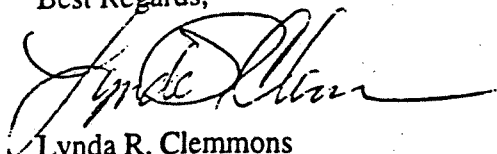
Mr. Ron Ledgett  
Senior Vice President  
Boston Edison Company  
800 Boylston Street  
Mail Station P360  
Boston, MA 02199-8003

Dear Mr. Ledgett:

Enclosed please find two copies of the SO<sub>2</sub> Allowance Purchase and Call Option Agreement between Enron Capital & Trade Resources Corp. and Boston Edison Company. Please sign both contracts and return one fully executed contract to me.

Also enclosed is an executed Enron Corp. Guarantee Agreement in the amount of twenty-one million dollars. It has been a pleasure working with Boston Edison on this transaction, and I look forward to more transactions in the future.

Best Regards,



Lynda R. Clemmons  
Director

enclosures

**ENRON CORP.**

**Guarantee Agreement**

This Guarantee Agreement (this "Guarantee"), dated as of October 28<sup>th</sup>, 1996, is made and entered into by Enron Corp., a Delaware corporation ("Guarantor").

**WITNESSETH:**

WHEREAS, Enron Capital & Trade Resources Corp. (the "Company") will enter into a SO<sub>2</sub> Allowance Purchase and Call Option Agreement (the "Agreement") effective as of the date of this Guarantee with Boston Edison Company ("Counterparty") pursuant to which Company and Counterparty will purchase and sell certain SO<sub>2</sub> Allowances; and

WHEREAS, Guarantor will directly or indirectly benefit from the Agreement.

NOW THEREFORE, in consideration of Counterparty entering into the Agreement, Guarantor hereby covenants and agrees as follows:

1 **GUARANTY.** Subject to the provisions hereof, Guarantor hereby irrevocably and unconditionally guarantees the timely payment when due of the obligations of Company (the "Obligations") to Counterparty in accordance with the Agreement. To the extent that Company shall fail to pay any Obligations, Guarantor shall promptly pay to Counterparty the amount due. This Guarantee shall constitute a guarantee of payment and not of collection. The liability of Guarantor under the Guarantee shall be subject to the following:

- (a) Guarantor's liability hereunder shall be and is specifically limited to payments expressly required to be made in accordance with the Agreement (even if such payments are deemed to be damages) and, except to the extent specifically provided in the Agreement, in no event shall Guarantor be subject hereunder to consequential, incidental, indirect, exemplary, equitable, loss of profits, punitive, tort, or any other damages, costs, or attorneys' fees.
- (b) The aggregate amount covered by this Guarantee shall not exceed U.S. \$21,000,000 (Twenty-One Million U.S. Dollars).

2 **DEMANDS AND NOTICE.** If Company fails or refuses to pay any Obligations, Counterparty shall notify Company in writing of the manner in which Company has failed to pay and demand that payment be made by Company unless a 5.1(d) Event (as defined below) has occurred with respect to Company, in which case no notice or demand shall be necessary. If Company's failure or refusal to pay continues for a period of five (5) days after the date of Counterparty's notice to Company, or if an Event of Default described in Section 5.1(d) of the Agreement has occurred with respect to Company (a "5.1(d) Event"), and Counterparty has elected to exercise its rights under this Guarantee, Counterparty shall make a demand upon Guarantor (hereinafter referred to as a "Payment Demand"). A Payment Demand shall be in writing and shall (a) reasonably and briefly specify in what manner and what amount Company has failed to pay and an explanation of why such payment is due or (b) specify the occurrence of a 5.1(d) Event, with a specific statement that Counterparty is calling upon Guarantor to pay under this Guarantee. A Payment Demand satisfying the foregoing requirements shall be deemed sufficient notice to Guarantor that it must pay the Obligations. A single written Payment Demand shall be effective as to any specific default during the continuance of such default, until Company or Guarantor has cured such default, and additional written demands concerning such default shall not be required until such default is cured.

3 REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants that:

- (a) it is a corporation duly organized and validly existing under the laws of the State of Delaware and has the corporate power and authority to execute, deliver and carry out the terms and provisions of the Guarantee;
- (b) no authorization, approval, consent or order of, or registration or filing with, any court or other governmental body having jurisdiction over Guarantor is required on the part of Guarantor for the execution and delivery of this Guarantee; and
- (c) this Guarantee constitutes a valid and legally binding agreement of Guarantor, except as the enforceability of this Guarantee may be limited by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

4 SETOFFS AND COUNTERCLAIMS. Without limiting Guarantor's own defenses and rights hereunder, Guarantor reserves to itself all rights, setoffs, counterclaims and other defenses to which Company or any other affiliate of Guarantor is or may be entitled to arising from or out of the Agreement or otherwise, except for defenses arising out of the bankruptcy, insolvency, dissolution or liquidation of Company.

5 AMENDMENT OF GUARANTY. No term or provision of this Guarantee shall be amended, modified, altered, waived, or supplemented except in a writing signed by the Guarantor and Counterparty.

6 WAIVERS. Guarantor hereby waives (a) notice of acceptance of this Guarantee; (b) presentment and demand concerning the liabilities of Guarantor, except as expressly hereinabove set forth; and (c) any right to require that any action or proceeding be brought against Company or any other person, or except as expressly hereinabove set forth, to require that Counterparty seek enforcement of any performance against Company or any other person, prior to any action against Guarantor under the terms hereof.

Except as to applicable statutes of limitation, no delay of Counterparty in the exercise of, or failure to exercise, any rights hereunder shall operate as a waiver of such rights, a waiver of any other rights or a release of Guarantor from any obligations hereunder.

Guarantor consents to the renewal, compromise, extension, acceleration or other changes in the time of payment of or other changes in the terms of the Obligations, or any part thereof or any changes or modifications to the terms of the Agreement.

This Guarantee will be effective for a term concurrent with the term of the Agreement, provided that termination of the Agreement will not terminate this Guarantee so long as any Obligations are outstanding.

7 NOTICE. Any Payment Demand, notice, request, instruction, correspondence or other document to be given hereunder by any party to another (herein collectively called "Notice") shall be in writing and delivered personally or mailed by certified mail, postage prepaid and return receipt requested, or by telegram or telecopier, as follows:

To Counterparty:

Boston Edison Company  
800 Boylston Street  
Mail Station P360  
Boston, MA 02199-8003  
Attn.: Mr. Ron Ledgett  
Senior Vice President  
Fax No.: (617) 424-3421

To Guarantor:

Enron Corp.  
1400 Smith Street  
Houston, Texas 77002  
Attn.: Vice President, Finance and Treasurer  
Fax No.: (713) 646-3422

Notice given by personal delivery or mail shall be effective upon actual receipt. Notice given by telegram or telecopier shall be effective upon actual receipt if received during the recipient's normal business hours, or at the beginning of the recipient's next business day after receipt if not received during the recipient's normal business hours. All Notices by telegram or telecopier shall be confirmed promptly after transmission in writing by certified mail or personal delivery. Any party may change any address to which Notice is to be given to it by giving notice as provided above of such change of address.

8 MISCELLANEOUS. THIS GUARANTEE SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS. This Guarantee shall be binding upon Guarantor, its successors and assigns and inure to the benefit of and be enforceable by Counterparty, its successors and assigns. This Guarantee embodies the entire agreement and understanding between Guarantor and Counterparty and supersedes all prior agreements and understandings relating to the subject matter hereof. The headings in this Guarantee are for purposes of reference only, and shall not affect the meaning hereof. This Guarantee may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

EXECUTED as of the day and year first above written.

ENRON CORP.

By: EP Segner III  
Name: EP Segner III  
Title: Executive Vice President

## SO<sub>2</sub> ALLOWANCE PURCHASE AND CALL OPTION AGREEMENT

THIS SO<sub>2</sub> ALLOWANCE PURCHASE AND CALL OPTION AGREEMENT ("Agreement"), dated as of the 28th day of October, 1996, is by and between BOSTON EDISON COMPANY, a Massachusetts corporation ("BECO"), and ENRON CAPITAL & TRADE RESOURCES CORP., a Delaware corporation ("ECT"). BECO and ECT can be individually referred to as a "Party" or collectively as "Parties."

WHEREAS, BECO wishes to sell certain Allowances (as hereinafter defined) and ECT wishes to purchase such Allowances;

WHEREAS, ECT wishes to sell certain Call Options (as hereinafter defined) and BECO wishes to purchase such Call Options;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties agree as follows:

### ARTICLE 1. DEFINITIONS

In addition to the other terms defined herein, the following terms shall have the meanings set forth below:

1.1. *"Allowance"* means a Sulfur Dioxide Emission Allowance as defined by the Clean Air Act.

1.2. *"Allowance Tracking System"* means the system established by the EPA for recording the transfer of Allowances among various entities or persons under the Clean Air Act as set forth in 40 C.F.R. Part 73, as amended, or any successor regulation thereto.

1.3. *"Call Option"* means an option to purchase Allowances from ECT pursuant to the terms of this Agreement.

1.4. *"Clean Air Act"* means Title IV of the Clean Air Act Amendments of 1990 (effective November 15, 1990), any amendments thereto and any regulations promulgated thereunder, which are the basis for the federal air pollution control program for sulfur dioxide emissions.

1.5. *"Confidential Information"* means all oral and written information exchanged between the Parties with respect to the pricing of the sale of Allowances and Call Options under this Agreement. The following exceptions, however, do not constitute Confidential Information for purposes of this Agreement: (a) information that is or becomes generally available to the public other than as a result of a disclosure by either Party in violation of this Agreement; (b) information that was already known by either Party on a non-confidential basis prior to this Agreement; (c) information that becomes available to either Party on a non-confidential basis from a source other than the other Party if such source was not subject to any prohibition against disclosing the information to such Party; and (d) information a Party is required to disclose in connection with any administrative or regulatory approval or filing process in connection with the conduct of its business.

1.6. *"EPA"* means the United States Environmental Protection Agency or any successor agency with similar jurisdiction.

1.7. *"Letter of Credit"* means one or more irrevocable, transferable standby letters of credit from a major U.S. commercial bank or a foreign bank with a U.S. branch office, with such bank having a credit rating of at least "A-" from S&P.

**ARTICLE 2.  
PURCHASE OF ALLOWANCES**

**PART I: ALLOWANCE PURCHASE AND SALE**

(E) 2.1. **Purchase.** ECT hereby agrees to purchase from BECO, and BECO agrees to sell to ECT, a total of 110,000 Allowances at a unit price of \$77 per Allowance for a total purchase price of \$8,470,000. The Allowances to be purchased and sold pursuant to this Article 2.1 shall be the following vintage years:

Number of Allowances	Vintage Year of Allowances to be Delivered
10,000	2000 or earlier
10,000	2001 or earlier
10,000	2002 or earlier
10,000	2003 or earlier
10,000	2004 or earlier
10,000	2005 or earlier
10,000	2006 or earlier
10,000	2007 or earlier
10,000	2008 or earlier
10,000	2009 or earlier
10,000	2010 or earlier

2.2. **Payment, Transfer and Title.** Immediately upon execution of this Agreement by the Parties, BECO will deliver a partially executed Allowance Transfer Form (OMB No. 2060-0258) ("ATF") to ECT relating to the Allowances. Immediately upon receipt by ECT of the ATF relating to the Allowances, ECT will execute such ATF and cause such ATF to be placed on file with the EPA in accordance with the applicable regulations relating to the Allowance Tracking System. ECT shall pay for the Allowances within five (5) business days of written or electronic notification by the EPA to ECT that such Allowances have been transferred from BECO to ECT. All Allowances shall be conveyed free from all liens and defects of title.

2.3. **Funds.** All funds to be paid directly to BECO under this Agreement shall be rendered in the form of immediately available funds (U.S. Dollars) by wire transfer or in such other form as reasonably requested by BECO, to the following account:

Bank of Boston  
for: Boston Edison Company  
ABA #011000390  
Account #264-60002

**PART II: CALL OPTIONS FOR ALLOWANCE PURCHASE AND SALE**

2.4. **Call Options for Purchase and Sale.** ECT hereby grants to BECO the right to purchase pursuant to Call Options, at BECO's sole discretion, from ECT up to a total of 110,000 Allowances in accordance with the following terms:

Vintage and Delivery Year	Call Option Strike Price Per Allowance	Maximum Quantity of Allowances that May Be Purchased
2000 or earlier vintage year	\$118.00	10,000
2001 or earlier vintage year	\$127.44	10,000
2002 or earlier vintage year	\$137.64	10,000
2003 or earlier vintage year	\$148.65	10,000
2004 or earlier vintage year	\$160.54	10,000
2005 or earlier vintage year	\$173.39	10,000
2006 or earlier vintage year	\$187.26	10,000
2007 or earlier vintage year	\$202.24	10,000
2008 or earlier vintage year	\$218.42	10,000
2009 or earlier vintage year	\$235.89	10,000
2010 or earlier vintage year	\$254.76	10,000
	TOTAL:	110,000

Each Call Option shall give BECO the right but not the obligation to purchase from ECT an Allowance at the applicable Call Option Strike Price set forth above on the terms and conditions set forth in this Agreement.

2.5. Exercise of Options. BECO may notify ECT in writing on any business day on or before January 15 of each Delivery Year (hereinafter defined) of the quantities of Allowances, not to exceed the Maximum Quantity as set forth in Section 2.4 for the applicable Delivery Year, that BECO elects to purchase pursuant to the Call Options. For purposes of this Section 2.5, "Delivery Year" shall mean the year corresponding to the vintage year of Allowances to be delivered (e.g., with respect to the Allowances of the vintage year 2000, the Delivery Year shall be 2000). Call Options for the Maximum Quantity of Allowances for a Delivery Year shall expire if ECT does not receive written notice on or before January 15 of such Delivery Year that BECO has elected to exercise its Call Options for that Delivery Year. All written exercise notices from BECO shall be irrevocable.

2.6. Transfer and Payment for Allowances Delivered upon the Exercise of Call Options. With respect to each Delivery Year, if BECO has exercised all or part of its Call Options to purchase Allowances in the applicable Delivery Year pursuant to Section 2.5 hereof, then on or before April 1 of the applicable Delivery Year, ECT will deliver a partially executed ATF to BECO relating to the Allowances. Immediately upon receipt by BECO of the ATF relating to the Allowances, BECO will execute such ATF and cause such ATF to be placed on file with the EPA in accordance with the applicable regulations relating to the Allowance Tracking System. BECO shall pay for the Allowances within five (5) business days of written or electronic notification by the EPA to BECO that such Allowances have been transferred from ECT to BECO. The amount payable to ECT shall be equal to the product of the number of Allowances purchased by BECO pursuant to its Call Options times the applicable Call Option Strike Price set forth in Section 2.4. All Allowances shall be conveyed free from all liens and defects of title.

2.7. Funds. All funds to be paid directly to ECT under this Agreement shall be rendered in the form of immediately available funds (U.S. Dollars) by wire transfer or in such other form as reasonably requested by ECT, to the following account:

NationsBank of Texas - Dallas  
for: Enron Power Marketing, Inc.  
ABA #111000012  
Account #375-046-9312

## COMMON PROVISIONS FOR BOTH PART I AND PART II

2.8. **Taxes.** Each Party shall be responsible for any taxes or other fees associated with its respective purchase and sale of the Allowances and Call Options hereunder.

### ARTICLE 3. WARRANTIES

3.1. Each Party hereby warrants that it shall convey the applicable Allowances to the other Party free from all liens and defects of title. EACH PARTY EXPRESSLY NEGATES ANY OTHER REPRESENTATION OR WARRANTY, WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY WITH RESPECT TO CONFORMITY TO MODELS OR SAMPLES, OR MERCHANTABILITY.

3.2. This Article 3 survives expiration or termination of this Agreement.

### ARTICLE 4. LIMITATION OF LIABILITY

4.1. FOR BREACH OF ANY PROVISION OF THIS AGREEMENT, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, AND SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY HEREUNDER, AND ALL OTHER REMEDIES OR DAMAGES ARE WAIVED. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, OR INDIRECT DAMAGES, IN TORT, CONTRACT OR OTHERWISE.

4.2. This Article 4 survives expiration or termination of this Agreement.

### ARTICLE 5. EVENTS OF DEFAULT; REMEDIES

5.1. **Event of Default.** "Event of Default" shall mean, with respect to a Party (the "Affected Party"):

- (a) the failure by the Affected Party to make, when due, any payment required under this Agreement, or the failure by the Affected Party to convey any Allowances required under this Agreement free from all liens and defects of title, if such failure is not remedied within five business days after written notice of such failure is given to the Affected Party; or
- (b) any representation or warranty made by the Affected Party in this Agreement shall prove to have been false or misleading in any material respect when made; or
- (c) the failure by the Affected Party to perform any covenant or agreement set forth in this Agreement (other than its obligations to make any payment or obligations which are otherwise specifically covered in this paragraph as a separate Event of Default), and such failure is not cured within five business days after written notice thereof to the Affected Party; or



(d) the Affected Party shall:

- (i) make an assignment or any general arrangement for the benefit of creditors,
- (ii) file a petition or otherwise commence, authorize or acquiesce in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors, or have such petition filed against it and such proceeding remains undismissed for 30 days,
- (iii) otherwise become bankrupt or insolvent (however evidenced), or
- (iv) be unable to pay its debts as they fall due;

(e) the occurrence of a Material Adverse Change (as defined below) affecting ECT or BECO, as the case may be; *provided*, such Material Adverse Change shall not be considered if ECT or BECO, as the case may be, establishes, and maintains throughout the duration of the Material Adverse Change, a Letter of Credit in form reasonably acceptable to the Notifying Party (as defined below) and in an amount, as determined from time to time, equal to (1) in the case of a Material Adverse Change affecting ECT, the market value of all Allowances, if any, that ECT is obligated to deliver to BECO pursuant to BECO's exercise of its Call Options pursuant to Sections 2.4 and 2.5 of this Agreement but which Allowances ECT has not yet delivered to BECO (to the extent ECT subsequently delivers Allowances, the amount of the Letter of Credit shall be reduced by the market value of such Allowances) and (2) in the case of a Material Adverse Change affecting BECO, the purchase price payable by BECO to ECT for all Allowances that BECO is obligated to purchase from ECT pursuant to BECO's exercise of its Call Options pursuant to Section 2.4 and 2.5 of this Agreement but which Allowances BECO has not yet paid for (to the extent BECO subsequently pays for the Allowances, the amount of the Letter of Credit shall be reduced by the purchase price for such Allowances; *provided*, however, that in each case, the amount of the Letter of Credit shall be rounded up to the nearest integral multiple of \$250,000 (unless the amount of the Letter of Credit would be zero, in which case no Letter of Credit shall be required to be posted until, if ever, the amount of the Letter of Credit required to be posted would exceed zero). For purposes of this Section 5.1(e), the market value of Allowances shall be determined by BECO based upon prices published by Cantor (as defined in Section 5.3).

As used in this Section 5.1(e), "Material Adverse Change" means, in the case of (i) BECO, BECO has long-term, unsecured, senior debt not supported by third party credit enhancement that is rated below "BBB-" by S&P, or (ii) ECT, Enron Corp. has long-term, unsecured, senior debt not supported by third-party credit enhancement that is rated below "BBB-" by S&P. "S&P" means the Standard & Poor's Rating Group (a division of McGraw-Hill, Inc.) or its successor; or

(f) the Affected Party fails to establish, maintain, extend or increase collateral in form and amount acceptable to the Notifying Party when required pursuant to Section 5.1(e); or

(g) in the case of ECT, Enron Corp. fails to perform any covenant set forth in the guarantee agreement it delivered in respect of this Agreement, any representation or warranty made by Enron Corp. in said guarantee agreement shall prove to have been false or misleading in any material respect when made or when deemed to be repeated, the guarantee agreement shall expire or be terminated or shall in any way cease to guarantee the obligations of ECT under this Agreement or Enron Corp. shall take or suffer any actions set forth in item (d) above as applied to it.

5.2. **Remedies.** If an Event of Default occurs with respect to either Party at any time during the term of this Agreement, the other Party (the "Notifying Party") may (A) upon two business days' written notice to the Affected Party terminate this Agreement, (B) withhold any payments due in respect of this Agreement to the extent of its damages pursuant to Article 4, and (C) exercise such other remedies as may be available at law or in equity or as otherwise provided in this Agreement; provided, upon the occurrence of any Event of Default listed in clause (d) of the definition of "Event of Default" above as it may apply to any Party, this Agreement shall automatically terminate, without notice, immediately prior to such event.

5.3. **Liability.**

- (a) **ECT's Liability.** In the event ECT causes an Event of Default and BECO elects to terminate this Agreement, then (A) with respect to the purchase and sale of Allowances pursuant to Part I of Article 2, ECT shall be obligated to pay BECO termination damages equal to the sum of (a) the price for any Allowances delivered to ECT for which BECO has not been paid, if any, plus (b) the positive difference, if any, between (i) the aggregate price set forth in this Agreement for all remaining Allowances to be delivered under this Agreement minus (ii) the aggregate market price as of the date of termination by BECO, to be determined based upon prices published by Cantor Fitzgerald Environmental Brokerage Service ("Cantor"), for all such remaining Allowances and (B) with respect to the purchase and sale of Call Options pursuant to Part II of Article 2, ECT shall be obligated to pay BECO an amount equal to (i) the cost to BECO of purchasing Allowances (including transaction costs) equivalent to all Allowances ECT is obligated to deliver to BECO (equivalent with respect to amount, vintage years and delivery dates) pursuant to BECO's exercise of Call Options pursuant to Section 2.5, such costs to be determined based upon prices published by Cantor, less the cost BECO would have had to pay ECT for the same number of Allowances, plus (ii) the cost to BECO of entering into a replacement contract with a third party with identical terms for the remaining, unexercised Call Options.
- (b) **BECO's Liability.** In the event BECO causes an Event of Default and ECT elects to terminate this Agreement, then (A) with respect to the purchase and sale of Allowances pursuant to Part I of Article 2, BECO shall be obligated to pay ECT an amount equal to the cost to ECT of purchasing Allowances (including transaction costs) equivalent to all remaining Allowances to be delivered under this Agreement, such costs to be determined based upon prices published by Cantor, less the cost ECT would have had to pay BECO for the same number of Allowances and (B) with respect to the purchase and sale of Call Options pursuant to Part II of Article 2, (1) BECO shall be obligated to pay ECT an amount equal to the sum of (a) the price specified in Section 2.4 of this Agreement for any Allowances delivered to BECO for which ECT has not been paid, if any, plus (b) the positive difference, if any, between (i) the aggregate price set forth in this Agreement for all remaining Allowances to be delivered under this Agreement (pursuant to BECO's exercise of Call Options pursuant to Section 2.5) minus (ii) the aggregate market price for equivalent Allowances (equivalent with respect to amount, vintage years and delivery dates) as of the date of termination by ECT, to be determined based upon prices published by

Cantor, for all such remaining Allowances, and (2) all unexercised Call Options shall terminate.

5.4. **Past Due Amounts.** All overdue payments shall bear interest from, and including, the due date to, but excluding, the date of payment at a rate equal to two (2%) over the per annum rate of interest equal to the prime lending rate as may from time to time be published in the Wall Street Journal under "Money Rates"; provided, the interest rate shall never exceed the maximum lawful rate permitted by applicable law.

5.5. **Security/Guaranty Agreement.** In order to secure all obligations of ECT to BECO hereunder, ECT shall cause Enron Corp. to execute and deliver to BECO a guarantee agreement substantially in the form attached hereto as Exhibit "A".

## ARTICLE 6. ASSIGNMENT

6.1. This Agreement is not assignable by either Party, except as provided herein, without the prior written approval of the non-assigning Party, which shall not be unreasonably withheld or delayed. Any assignment without the written approval of the non-assigning Party, except as provided herein, is voidable by the non-assigning Party. An assignment of this Agreement, in whole or in part, by either Party does not relieve such Party of its obligations under this Agreement.

6.2. Either Party may, subject to the last sentence of the preceding paragraph, assign this Agreement to an affiliate thereof without the prior consent of the other party.

## ARTICLE 7. NON-DISCLOSURE

7.1. Except as provided in this Article 7, neither Party shall publish, disclose, or otherwise divulge Confidential Information to any person, at any time during or after the term of this Agreement, without the other Party's prior express written consent. Each Party shall permit knowledge of and access to the Confidential Information only to those of its corporate affiliates, attorneys, accountants, representatives, agents and employees who have a need to know.

7.2. If required by any law, statute, ordinance, decision, order, or regulation passed, adopted, issued or promulgated by a court, any governmental agency or authority having jurisdiction over a Party, such Party may release the Confidential Information, or a portion thereof, to such court, governmental agency or authority, as required by such law, statute, ordinance, decision, order or regulation and a Party may disclose Confidential Information to accountants in connection with audits, provided that such Party has used its reasonable efforts to cause that court, governmental agency or authority or accountants to treat such information in a confidential manner and to prevent such information from being disclosed or otherwise becoming part of the public domain.

7.3. In performing their obligations under this Agreement, the Parties shall employ procedures established to prevent unauthorized disclosure or use of the Confidential Information. Such procedures shall be no less restrictive than the procedures used by each Party to protect its own confidential data.

7.4. This Article 7 survives the expiration or termination of this Agreement for a period of one year.

## ARTICLE 8. MISCELLANEOUS

8.1. This Agreement may not be amended, changed, modified, or altered unless such amendment, change, modification, or alteration is in writing and signed by both of the Parties to this Agreement or their successors in interest.

8.2. This Agreement inures to the benefit of and is binding upon the Parties and their respective successors and permitted assigns.

8.3. If any article, phrase, provision or portion of this Agreement is, for any reason, held or adjudged to be invalid, illegal or unenforceable by any court of competent jurisdiction, such article, phrase, provision, or portion so adjudged will be deemed separate, distinct and independent and the remainder of this Agreement will be and remain in full force and effect and will not be invalidated or rendered illegal or unenforceable or otherwise affected by such adjudication, provided the basic purposes of this Agreement and the benefits to the Parties are not substantially impaired.

8.4. This Agreement may be executed in several counterparts, each of which is an original and all of which constitute one and the same instrument.

8.5. All notices, certificates, or other communications hereunder shall be in writing. All written notices are deemed sufficiently given when mailed by United States registered or certified mail, postage prepaid, return receipt requested ("Mailed"), or hand-delivered, or sent by facsimile transmission with the original document Mailed to confirm or by recognized overnight courier service, addressed as follows:

- |              |  |
|--------------|--|
| (a) To ECT:  | Enron Capital & Trade Resources Corp.<br>1400 Smith Street, 31st Floor (77002)<br>P.O. Box 4428<br>Houston, TX 77210-4428<br>Attn.: Leslie Reeves<br>Power Contract Documentation Manager<br>Fax No.: (713) 646-2443 |
| (b) To BECO: | Boston Edison Company<br>800 Boylston Street<br>Mail Station P360<br>Boston, MA 02199-8003<br>Attn.: Mr. Ron Ledgett<br>Senior Vice President<br>Telephone No.: (617) 424-3465<br>Fax No: (617) 424-3421             |

or to such other and different addresses as may be designated in writing by the Parties and delivered pursuant to this Paragraph 8.5.

8.6. This Agreement completely and fully supersedes all other prior understandings or agreements, both written and oral, between the Parties relating to the subject matter hereof.

8.7. **THIS AGREEMENT IS GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.**

8.8. No delay or omission by a Party in the exercise of any right under this Agreement shall be taken, construed, or considered as a waiver or relinquishment thereof, and any such right may be

exercised from time to time and as often as may be deemed expedient. If any of the terms and conditions herein are breached and thereafter waived by a Party, such waiver is limited to the particular breach so waived and is not deemed to waive any other breach hereunder.

8.9. This Agreement was negotiated and prepared by both Parties with advice of counsel to the extent deemed necessary by each Party.

8.10. The Article and paragraph titles in this Agreement are only for purposes of convenience and do not form a part of this Agreement and will not be taken to qualify, explain, or affect any provision thereof.

IN WITNESS WHEREOF, the Parties hereto have made and executed this Agreement, signed by their duly authorized officers or individuals, as of the day and year first above written.

BOSTON EDISON COMPANY

ENRON CAPITAL & TRADE RESOURCES  
CORP.

By:   
Name: RA Ledge  
Title: Senior Vice President

By:   
Name: William Butler  
Title: Managing Director

OSW



# Allowance Transfer

Page 1

For more information, see instructions and refer to 40 CFR 73.50 - 73.53

Page **1** of **2**

**STEP 1**  
Enter account information  
about the transferor (in  
whose account the  
allowances currently reside)

**Transferor:**

ATS Account #	001588000004
Authorized Account Representative (AAR) ID#	000683
AAR Phone Number	(617) 424-3465
AAR Fax Number	(617) 424-3421

**STEP 2**  
Enter account information  
about the transferee (into  
whose account the  
allowances are being  
transferred)

**Transferee:**

ATS Account #
Authorized Account Representative (AAR) ID#
AAR Phone Number
AAR Fax Number

**STEP 3**  
Complete Steps 4 and 5.  
Both AARs should read  
the certification, print  
name, and sign and date

I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units or on behalf of the parties with an ownership interest with respect to the allowances held for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.

**Transferor:**

Name	Ronald A. Ledgett
Signature	<i>RAL</i>
Date	11/1/90

**Transferee:**

Name
Signature
Date

United States  
Environmental Protection Agency  
Acid Rain Program

OMB No. 2060-0258  
Expires 1-31-96



# Allowance Transfer

Page 1

For more information, see instructions and refer to 40 CFR 73.50 - 73.53

Page **1** of **2**

## STEP 1

Enter account information  
about the transferor (in  
whose account the  
allowances currently reside)

### Transferor:

ATS Account # 001588000005

Authorized Account Representative (AAR) ID# 000683

AAR Phone Number (617) 424-3465

AAR Fax Number (617) 424-3421

## STEP 2

Enter account information  
about the transferee (into  
whose account the  
allowances are being  
transferred)

### Transferee:

ATS Account #

Authorized Account Representative (AAR) ID#

AAR Phone Number

AAR Fax Number

## STEP 3

Complete Steps 4 and 5.  
Both AARs should read  
this certification, print  
name, and sign and date

I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units or on behalf of the parties with an ownership interest with respect to the allowances held for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.

### Transferor:

Name Ronald A. Ledgett

Signature

Date

11/1/96

### Transferee:

Name

Signature

Date

United States  
Environmental Protection Agency  
Acid Rain Program

OMB No. 2060-0258  
Expires 1-31-96



## Allowance Transfer

Page 1

For more information, see instructions and refer to 40 CFR 73.50 - 73.53

Page 1 of 2

### STEP 1

Enter account information  
about the transferor (in  
whose account the  
allowances currently reside)

Transferor:

ATS Account #	001588000006
Authorized Account Representative (AAR) ID#	000683
AAR Phone Number	(617) 424-3465
AAR Fax Number	(617) 424-3421

### STEP 2

Enter account information  
about the transferee (into  
whose account the  
allowances are being  
transferred)

Transferee:

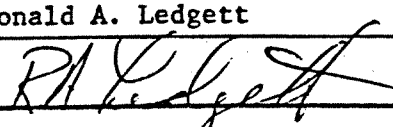
ATS Account #
Authorized Account Representative (AAR) ID#
AAR Phone Number
AAR Fax Number

### STEP 3

Complete Steps 4 and 5.  
Both AARs should read  
the certification, print  
name, and sign and date

I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units or on behalf of the parties with an ownership interest with respect to the allowances held for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.

Transferor:

Name	Ronald A. Ledgett	
Signature		Date 11/1/96

Transferee:

Name		
Signature		Date



United States  
Environmental Protection Agency  
Acid Rain Program

OMB No. 2060-0258  
Expires 1-31-96



## Allowance Transfer

Page 1

For more information, see instructions and refer to 40 CFR 73.50 - 73.53

Page **1** of **2**

### STEP 1

Enter account information  
about the transferor (in  
whose account the  
allowances currently reside)

#### Transferor:

ATS Account #	001588000007
Authorized Account Representative (AAR) ID#	000683
AAR Phone Number	(617) 424-3465
AAR Fax Number	(617) 424-3421

### STEP 2

Enter account information  
about the transferee (into  
whose account the  
allowances are being  
transferred)

#### Transferee:

ATS Account #
Authorized Account Representative (AAR) ID#
AAR Phone Number
AAR Fax Number

### STEP 3

Complete Steps 4 and 5.  
Both AARs should read  
the certification, print  
name, and sign and date

I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units or on behalf of the parties with an ownership interest with respect to the allowances held for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.

#### Transferor:

Name	Ronald A. Ledgett
Signature	<i>RA Ledgett</i>
Date	11/1/96

#### Transferee:

Name	
Signature	Date



# Allowance Transfer

Page 1

Page **1** of **2**

For more information, see instructions and refer to 40 CFR 73.50 - 73.53

## STEP 1

Enter account information  
about the transferor (in  
whose account the  
allowances currently reside)

### Transferor:

ATS Account #	001589000001
Authorized Account Representative (AAR) ID#	000683
AAR Phone Number	(617) 424-3465
AAR Fax Number	(617) 424-3421

## STEP 2

Enter account information  
about the transferee (into  
whose account the  
allowances are being  
transferred)

### Transferee:

ATS Account #
Authorized Account Representative (AAR) ID#
AAR Phone Number
AAR Fax Number

## STEP 3

Complete Steps 4 and 5.  
Both AARs should read  
the certification, print  
name, and sign and date

I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units or on behalf of the parties with an ownership interest with respect to the allowances held for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.

### Transferor:

Name	Ronald A. Ledgett
Signature	<i>RAL</i>
Date	11/1/96

### Transferee:

Name	
Signature	
Date	



# Allowance Transfer

Page 1

For more information, see instructions and refer to 40 CFR 73.50 - 73.53

Page 1 of 2

## STEP 1

Enter account information  
about the transferor (in  
whose account the  
allowances currently reside)

### Transferor:

ATS Account #	001589000002
Authorized Account Representative (AAR) ID#	000683
AAR Phone Number	(617) 424-3465
AAR Fax Number	(617) 424-3421

## STEP 2

Enter account information  
about the transferee (into  
whose account the  
allowances are being  
transferred)

### Transferee:

ATS Account #
Authorized Account Representative (AAR) ID#
AAR Phone Number
AAR Fax Number

## STEP 3

Complete Steps 4 and 5.  
Both AARs should read  
the certification, print  
name, and sign and date

I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units or on behalf of the parties with an ownership interest with respect to the allowances held for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.

### Transferor:

Name	Ronald A. Ledgett
Signature	<i>R. A. Ledgett</i>
Date	11/1/96

### Transferee:

Name	
Signature	
Date	

**BOSTON  
EDISON**

# JOURNAL ENTRY MEMORANDUM

## General Ledger

To: Division Head	Prepared by: Carla Dacey	Emp.# 750893
Date: Jan. 9, 1997	Approved by: <i>Michael Hull</i>	Emp.# 749896

General Ledger Use Only Attachment DTE 22 Page 24 of 50	
Organization No.	
Journal Entry No.	501
S/#	
T/T	12/98
Date	
E/H	
J. E. Source	
Page 1 of 1	

**This Memorandum May Be Used As An Adjustment To Only One Of The Following Journal Entry Sources!**

**CHECK ONE:**                      Payroll[    ]                      Invoices[    ]                      Materials[    ]                      Miscellaneous[ x ]

**EXPLANATION:** to record receivable for proceeds from sales of SO2 allowances to Phibro, Inc. and Enron Capital and Trade Resources Corp.

[illegible]

**Documentation Must Be Attached Whenever Possible.**

**Note: All Entries Must Include A Cost Area.**

**General Ledger Review**  
**General Ledger Approval**

Office Memorandum

To: J. Hobson

From: G. C. Roundy

*G. C. Roundy*

Date: January 8, 1997

Subj: Accounting for Proceeds of Sale of SO2 Allowances to Phibro, Inc.

The \$2,572,500 wire transfer to BECo from Phibro, Inc. should be booked to the following cost area and account:

Cost Area	Account	Description	Amount
AM	254030	Clean Air Act Allowance Proceeds	(F) \$2,572,500
<i>am</i>	<i>254030</i>		<i>2,051,250</i>

The specific allowances sold were from Mystic Unit 7.

If you have any questions, please feel free to contact me.

cc: E. Sandman  
M. L. Spada  
E. K. Angley

## SO<sub>2</sub> ALLOWANCE PURCHASE AGREEMENT

THIS SO<sub>2</sub> ALLOWANCE PURCHASE AGREEMENT ("Agreement"), dated as of the 18th day of November, 1996, is by and between BOSTON EDISON COMPANY, a Massachusetts corporation ("Seller"), and ENRON CAPITAL & TRADE RESOURCES CORP., a Delaware corporation ("Buyer"). Buyer and Seller can be individually referred to as a "Party" or collectively as "Parties."

WHEREAS, Seller wishes to sell certain Allowances (as hereinafter defined) and Buyer wishes to purchase such Allowances;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties agree as follows:

### ARTICLE 1. DEFINITIONS

In addition to the other terms defined herein, the following terms shall have the meanings set forth below:

1.1. *"Allowance"* means a Sulfur Dioxide Emission Allowance as defined by the Clean Air Act.

1.2. *"Allowance Tracking System"* means the system established by the EPA for recording the transfer of Allowances among various entities or persons under the Clean Air Act as set forth in 40 C.F.R. Part 73, as amended, or any successor regulation thereto.

1.3. *"Clean Air Act"* means Title IV of the Clean Air Act Amendments of 1990 (effective November 15, 1990), any amendments thereto and any regulations promulgated thereunder, which are the basis for the federal air pollution control program for sulfur dioxide emissions.

1.4. *"Confidential Information"* means all oral and written information exchanged between Seller and Buyer with respect to the pricing of the sale of Allowances under this Agreement. The following exceptions, however, do not constitute Confidential Information for purposes of this Agreement: (a) information that is or becomes generally available to the public other than as a result of a disclosure by either Party in violation of this Agreement; (b) information that was already known by either Party on a non-confidential basis prior to this Agreement; (c) information that becomes available to either Party on a non-confidential basis from a source other than the other Party if such source was not subject to any prohibition against disclosing the information to such Party; and (d) information a Party is required to disclose in connection with any administrative or regulatory approval or filing process in connection with the conduct of its business.

1.5. *"EPA"* means the United States Environmental Protection Agency or any successor agency with similar jurisdiction.

### ARTICLE 2. PURCHASE OF ALLOWANCES

2.1. **Purchase.** Buyer hereby agrees to purchase from Seller, and Seller agrees to sell to Buyer, a total of 25,000 Allowances at a unit price of \$82.05 per Allowance for a total purchase price of \$2,051,250. The Allowances to be purchased and sold pursuant to this Section 2.1 shall be the following vintage years:

12/13/2005

Boston Edison Company

1

J.E. I014 12/17/1996 for 25403

Account	Date	Source	Sequence	Type	CA	Description	Amount	
254030	12/17/1996	330	1,104	C	AB	PAY LIABILITY	27,500.00	H
254030	12/17/1996	330	1,105	C	AM	PAY LIABILITY	27,500.00	I

55,000.00

12/13/2005

Boston Edison Company

1

J.E. I014 01/31/1997 for 25403

Account	Date	Source	Sequence	Type	CA	Description	Amount
254030	01/31/1997	330	573	C	AM	PAY LIABILITY ASSOC VEN# 29656	27,500.00 J

27,500.00



SPECIAL Rate Case Run -Lisa

(H) + (J)

<u>VENDOR_No</u>	<u>VOUCHER_No</u>	<u>VENDOR_NAME</u>	<u>INVOICE_STATUS</u>	<u>INVOICE_DATE</u>	<u>INVOICE_\$</u>	<u>INVOICE_No</u>	<u>CREATE_DATE</u>	<u>PAID_DATE</u>
29656	A12611	NATURAL RESOURCES GROUP	P	12/16/96	\$ 55,000.00	145714	12/17/96	12/19/96
29656	A23083	NATURAL RESOURCES GROUP	P	1/29/97	\$ 27,500.00	145715	1/31/97	2/4/97

(J)

Check	5-1231110	68,240.00
"		
"		
"		
"		
"		
Total	68,240.00	

May 13 19 97

DEPARTMENT CASH RECEIPT  
I have today handed Cashier

No 17910-85  
Attachment DTE 2-8  
Page 30 of 36  
(K)  
\$ 68,240.00

Sixty eight Thousand four hundred forty 00/100 Dollars

For Braintree Nox ERC Sale

to be credited to Account 254030 CA AB WO

Eric Sandman 799996 3402 84V80  
Name Emp. # Phone # Dept./Div.

Cashier

F16 WE-8-28-93

Send original to General Ledger P344. The remaining slips with check and/or money should be sent to the Edison Cashier.  
ORIGINAL - GENERAL LEDGER - P344

May 12, 1997

Mr. Donald L. Hetherington  
Production Division Manager  
Braintree Electric Light Department  
44 Allen Street  
Braintree, MA 02184

Dear Mr. Hetherington:

(K)

Braintree Electric's payment of \$68,240 for the purchase of 85.3 NOx Emission Reduction Credits (ERCs) from Boston Edison was received. To complete our Purchase & Sale Agreement, I have enclosed a signed Bill of Sale transferring ownership of the ERCs to Braintree Electric.

Best Regards,



Eric Sandman  
Principal Analyst

ejs

Enclosure

**Purchase & Sale Agreement  
for NOx Emission Reduction Credits**

- I. **Purpose.** This Agreement provides for the sale by Boston Edison Company to the Braintree Electric Light Department of Nitrogen Oxide Emission Reduction Credits (ERCs) issued pursuant to 310 CMR 7.00 Appendix B.
- II. **Seller.** Boston Edison Company is a Massachusetts electric company with a principal place of business at 800 Boylston Street, Boston, Massachusetts 02199.
- III. **Buyer.** Braintree Electric Light Department is a Massachusetts Municipal Electric Utility with a principal place of business at 44 Allen Street, Braintree, Massachusetts 02184.
- IV. **Quantity.** This Agreement provides for the transfer of 85.3 ERCs, consisting of 54.2 ozone season ERCs and 31.1 non-ozone season ERCs. All of said ERCs were issued and approved pursuant to 310 CMR 7.00 Appendix B, as documented in a letter of the Massachusetts Department of Environmental Protection (DEP) dated September 18, 1995. Braintree intends to use the ERCs for DEP NOx emissions compliance for years 1995 (25.06 ozone season and 5.93 non-ozone season ERCs) and 1996 (29.12 ozone season and 25.10 non-ozone season ERCs).
- V. **Price.** The price for each ERC transferred hereunder is \$800. The total price for this transaction is \$68,240. Payment will be by check made payable to Boston Edison Company. The check will be hand delivered or mailed to:

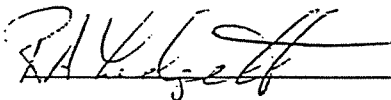
Eric Sandman  
Boston Edison Company  
800 Boylston Street, P-290  
Boston, MA 02199-8003

- VI. **Closing.** The closing for this transaction shall occur within 15 business days of the signing of this sales agreement. The transaction shall be closed by the simultaneous payment by Braintree Electric Light Department to Boston Edison Company of the total price identified in Paragraph V and the provision by Boston Edison Company to Braintree Electric Light Department of a Bill of Sale in substantially the form attached hereto as Exhibit A.

AGREED TO, by the duly authorized representative of each party this \_\_\_\_ day of April, 1997.

**BOSTON EDISON COMPANY**

By



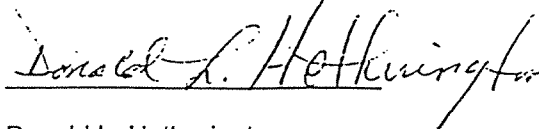
Name Ronald A. Ledgett

Title Senior Vice President

Entered	_____
Bill No.	_____
Account	51408
Order No.	_____

**BRAINTREE ELECTRIC LIGHT DEPARTMENT**

By



Name Donald L. Hetherington

Title Production Division Manager

**Appendix A**

**Bill of Sale  
for  
NOx Emission Reduction Credits**

For consideration duly received, Boston Edison company hereby sells, transfers and conveys to the Braintree Electric Light Department the quantity of 85.3 Nitrogen Oxide Emission Reduction Credits (ERCs) (54.2 ozone season and 31.1 non-ozone season) issued pursuant to 310 CMR 7.00 Appendix B, as approved in a letter of the Massachusetts Department of Environmental Protection dated September 18, 1995.

Dated this 12 day of <sup>May</sup>~~April~~ 1997.

**BOSTON EDISON COMPANY**

By 

Name Ronald A. Ledgett

Title Senior Vice President

Check	15-51/222	47097.78
	15-51/000	22609.44
Total	69,707.22	

July 2 19 97

**DEPARTMENT CASH RECEIPT**  
I have today handed Cashier

No. 011113  
D.T.E. 05-85  
Attachment DTE 2-8  
Page 34 of 36

① \$69,707.22

Sixty nine thousand seven hundred seven 22/100 Dollars

For Proceeds from EPA SO2 Allowance Auction

to be credited to Account 254030 CA WO  
254030 AM 22,609.44

EW 799996 3402 84V80  
Name Emp. # Phone # Dept./Div.

Cashier

Send original to General Ledger P344. The remaining slips with check and/or money should be sent to the Edison Cashier.  
ORIGINAL - GENERAL LEDGER - P344

F16 WE-8-28-93

22,609.44  
47,097.78  
\$69,707.22

Check	15-51/000	24230.15
"		
"		
"		
"		
Total	24230.15	

November 6 19 97

DEPARTMENT CASH RECEIPT  
I have today handed Cashier

No. 011122  
D.T.E. 05-85  
Attachment DTE 2-8  
Page 35 of 36

\$24,230.15

Twenty four thousand two hundred thirty 15/100 Dollars

For EPA Allow Auction - Miptin

to be credited to Account 25403-0 CA AM WO

Name Ed [Signature] Emp. # 799996 Phone # 3902 Dept./Div. 79570

Cashier

F16 WE-8-28-93

Send original to General Ledger P344. The remaining slips with check and/or money should be sent to the Edison Cashier.

ORIGINAL - GENERAL LEDGER - P344

Bills			B.E. CO. FORM 130
Specie			<u>May 15</u> 19 <u>98</u>
Check			<b>DEPARTMENT CASH RECEIPT</b> <b>Nº 128234</b>
"			I have today handed Cashier <u>N</u> \$ <u>20,044.81</u>
"			<u>Twenty Thousand &amp; Forty-four</u> and <u>83</u> Dollars
"			for <u>EPA sale of SO<sub>2</sub> Allowances from New Boston Station</u>
"			to be credited to Account <u>C/A AB, acct 254030</u>
"			<u>(New Boston allowances)</u> <u>Sandra J. Little</u> Dept. Head
			Received above amount:
			Cashier
Total			Originating Department shall send ORIGINAL Copy direct to General Accounting Division before having form receipted by Cashier; when other two copies are receipted, Cashier shall retain Duplicate and return Triplicate to originating Department.

ORIGINAL

Bills			B.E. CO. FORM 130
Specie			<u>May 15</u> 19 <u>98</u>
Check			<b>DEPARTMENT CASH RECEIPT</b> <b>Nº 128235</b>
"			I have today handed Cashier <u>0</u> \$ <u>41,755.41</u>
"			<u>Forty-one Thousand, Seven Hundred &amp; Fifty-four</u> and <u>44</u> Dollars
"			for <u>EPA sale of SO<sub>2</sub> Allowances from Mystic Station</u>
"			to be credited to Account <u>C/A AM, acct. 254030</u>
"			<u>Sandra J. Little</u> Dept. Head
			Received above amount:
			Cashier
Total			Originating Department shall send ORIGINAL Copy direct to General Accounting Division before having form receipted by Cashier; when other two copies are receipted, Cashier shall retain Duplicate and return Triplicate to originating Department.

ORIGINAL



Information Request DTE-2-9

Refer to Article 2.20 of the Settlement. Do Cambridge and Commonwealth have storm funds? If the answer is yes, please state the amounts of those funds, how they are funded and when and how they were authorized. If the answer to the above question is no, explain how Cambridge and Commonwealth fund storm repair expenses.

Response

Cambridge and Commonwealth do not have storm funds. Cambridge and Commonwealth fund storm repair expenses through normal operations and maintenance expenses.